

# WANTS R. TAX LEF E. P. Thom Would Not Alter Present System Under U. S. Charter OPPOSES A LIMIT TO DIVIDENDS

## Transcript in Test Case of Adamson Law Reaches Washington

Washington, Nov. 27.—The right of taxation and exercise of police power now asserted by states in dealing with railroads should be reserved to the states under a system of Federal incorporation, Alfred P. Thom, counsel to the Railway Executive's Advisory Committee, told the Newlands committee today in his cross-examination.

Chairman Newlands asked if consent of the states would be necessary for Federal incorporation.

"No," replied Mr. Thom, who pointed out that if a corporation owned the physical property in a state it would be necessary for the state to transfer to the owning corporation any charter or corporate rights.

"A holding company would not reach the situation," asked Mr. Newlands.

"No, because it would retain all the complexities of the present system," said Mr. Thom.

## Upholds State Taxation

"The police power of the state," Mr. Thom continued, "ought to be distributed to the least possible degree consistent with free interstate commerce. Government ownership would take away the right of the states to impose taxation; but in Federal incorporation, however, we think a provision should be written into the law specifically permitting states to tax railroad property in their confines like other property. We think Congress should take over only those powers essential to a guarantee of complete transportation efficiency."

"State control of rates is placing an undue burden on other states. Such matters as the equipment of a train which runs across the continent should not be left to the states. Such trains ought not to be required to change equipment at state lines."

Mr. Thom admitted that the wide divergence in state tax laws affected unfavorably in some states the financing of railroad operations.

Mr. Thom said that the indifference of investors to railroad securities prevented the board of directors from making a general rate decision, when the investing public came to realize that owners of railroads controlled neither expenses nor revenues.

## Would Not Limit Dividends

Chairman Newlands referred to a statement made by Mr. Thom that to attract investors stock should earn 10 per cent for dividends and 5 per cent for surplus, and asked if dividends should be limited to these returns.

"I do not think you can limit maximum dividends," replied Mr. Thom, "unless the government is ready to guarantee minimum dividends. Such a limitation, offering an opportunity to lose everything, would be a restriction on the free stock of any attraction for investors."

Mr. Thom said that the indifference of investors to railroad securities prevented the board of directors from making a general rate decision, when the investing public came to realize that owners of railroads controlled neither expenses nor revenues.

## State and Federal Rights

Representative Adamson questioned Mr. Thom about the relation of state and federal rights. Mr. Thom expressed the opinion that the conflicts between the advocates of states' rights and federalists had largely disappeared, but that men in public life were concerned largely by local considerations.

Railway executives had only comparatively recently come into agreement with the federal government, he said, and that the federal government had only recently come into agreement with the states.

## FINANCIAL MEETINGS

**TO THE STOCKHOLDERS OF GIBBY-TER COMPANY.**

The annual meeting of the stockholders of the Gibby-Ter Company, for the election of directors and for the transaction of other business as may properly come before the meeting, will be held at the office of the company, 110 Broadway, New York City, on the 12th day of December, 1916, at 11 A. M.

WILLIAM B. SHERRO, Secretary.

## DIVIDEND NOTICES

**REALTY ASSOCIATES**

142 Broadway, New York City, N. Y.  
DIVIDEND NO. 28.

The Board of Directors has declared the regular semi-annual dividend of \$1.00 per share on the common stock for the fiscal year ending December 31, 1916, payable on January 1, 1917.

AGUSTUS HARPER, Treasurer.

## SUMMONS

**CITY COURT OF THE CITY OF NEW YORK.**

In and for the County of New York, ss: I, the undersigned, Clerk of the City Court of the City of New York, do hereby certify that the following named defendant, **MANDELBAUM, DEFENDANT**, has been duly served with a summons to appear in the City Court of the City of New York, on the 12th day of December, 1916, at 11 A. M.

JOSEPH A. SEIDMAN, Attorney for Plaintiff.

## AUCTION SALES

**CHATELAIN MORTGAGE SALE.**

Public Sale of Real Estate. The undersigned, Chatelain Mortgage Company, will sell at public auction, on the 12th day of December, 1916, at 11 A. M., the following described real estate, to-wit:

Lot 1, Block 1, of the City of New York, containing 1.5 acres, more or less, situated in the City of New York, and bounded by the City of New York, on the north, east and south, and by the City of New York, on the west.

JOSEPH A. SEIDMAN, Attorney for Plaintiff.

# Bonds

Continued from Page 11

Sales.	Open.	High.	Low.	Last.
1000 U. S. 4's (new) 1000	1000	1000	1000	1000
1000 U. S. 4's (old) 1000	1000	1000	1000	1000
1000 U. S. 4's (old) 1000	1000	1000	1000	1000
1000 U. S. 4's (old) 1000	1000	1000	1000	1000
1000 U. S. 4's (old) 1000	1000	1000	1000	1000
1000 U. S. 4's (old) 1000	1000	1000	1000	1000
1000 U. S. 4's (old) 1000	1000	1000	1000	1000
1000 U. S. 4's (old) 1000	1000	1000	1000	1000
1000 U. S. 4's (old) 1000	1000	1000	1000	1000
1000 U. S. 4's (old) 1000	1000	1000	1000	1000

# Standard Oil Subsidiaries

Shares.	Open.	High.	Low.	Last.
1000 Standard Oil of N. J.	1000	1000	1000	1000
1000 Standard Oil of N. J.	1000	1000	1000	1000
1000 Standard Oil of N. J.	1000	1000	1000	1000
1000 Standard Oil of N. J.	1000	1000	1000	1000
1000 Standard Oil of N. J.	1000	1000	1000	1000
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1000 Standard Oil of N. J.	1000	1000	1000	1000
1000 Standard Oil of N. J.	1000	1000	1000	1000
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# Other Oil Stocks

Shares.	Open.	High.	Low.	Last.
1000 Amoco Oil	1000	1000	1000	1000
1000 Amoco Oil	1000	1000	1000	1000
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1000 Amoco Oil	1000	1000	1000	1000
1000 Amoco Oil	1000	1000	1000	1000
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# Mining Stocks

Sales.	Open.	High.	Low.	Last.
1000 Anaconda	1000	1000	1000	1000
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